

MAERSK

POST 

#2 | JUNE – AUGUST | 2018

A special guest

HAMBURG SÜD + MAERSK | Chief Engineer John Broholm jumped out of Maersk Line's fleet rotation to join the Hamburg Süd vessel Cap San Augustin as an onboard buddy for two to three weeks, becoming the crew's go-to person and introducing them to the Maersk way.

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THEME SAFETY IN EVERYTHING WE DO

Photo: Peter Embolt

ONE FATALITY IS ONE TOO MANY | All unsafe behaviour is dangerous, and all businesses across Maersk have implemented initiatives aimed specifically at mitigating safety risks relevant to their operations.

Bringing the blueberry muffin to your table

GLOBAL INTEGRATOR

A collaboration between Maersk Container Industry, Maersk Line and APM Terminals is using advanced technology combined with the facilities and networks across the company. This is benefiting both Maersk and its customers.



Photo: Wci

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The new financial reporting structure

SEGMENTATION | As part of the strategy to become the global integrator of container logistics, A.P. Moller - Maersk has implemented a new financial reporting structure with effect from the first quarter 2018. Jesper Ridder Olsen, Head of Accounting and Tax, explains the reasoning.



Photo: Maersk

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When it's more than a job

WORKING WITH THE COMMUNITY | As CSR manager with APM Terminals, Marika Nadaraia oversees several programmes in Poti, Georgia. And in her spare time, she volunteers to help her home town and disadvantaged people in the local community.

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Photo: Jesper Schwartz

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Photo: Malek Touqan

Breakfast of trade champions

EMPLOYEE ENGAGEMENT | In Saudi Arabia, local teams have taken big steps to strengthen relations between management and employees, while nurturing a more diverse and inclusive culture that balances Maersk's values with societal norms in the Kingdom. And the results are showing.

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Eyes above the ground

DRONES FOR SAFETY | A container shipping terminal, with its mix of people, heavy objects and moving machines, poses many safety risks. At its inland service business in Chile, APM Terminals is using drones to improve safety at its facilities.

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A fundamental transformation



Photo: Ture Andersen

"I would like to take this opportunity to express my gratitude for the extensive efforts all of you, as employees of A.P. Moller - Maersk, are putting into transforming this company"

Søren Skou
CEO of A.P. Moller - Maersk

► The strategic transformation of A.P. Moller - Maersk is continuing apace. It is a process that is happening at scale and in a company this size, it is naturally complex. By approaching our work with a 'Maersk first' mindset and collaborating across functions, departments and brands is crucial to delivering results.

We are making a successful start to the integration of Hamburg Süd, which is contributing with revenue and profit growth as planned, and we are realising synergies from the integration of the transport, logistics and port businesses. In this issue of Maersk Post, you can read about this process and how "buddies" from Maersk Line are spending time on board Hamburg Süd vessels to support the integration.

As we continue to pursue this fundamental transformation, I deeply appreciate the efforts which I witness first hand here in Copenhagen and on my travels to our sites around the world. This resource is what will ensure we deliver on this transformation, and Maersk Post features many of these dedicated employees – from

the training that ensures we conduct operations safely, to community work to support a port city and how we are making our workforce more diverse, and hence even stronger.

While we are progressing well on the implementation of our strategy, our results, especially in the ocean related part of the business, is unsatisfactory. In response to current challenging market conditions, we are implementing several short-term initiatives to improve profitability. I sincerely appreciate your dedication to ensure we are addressing immediate needs while we pursue our long-term ambitions. I would like to take this opportunity to express my gratitude for the extensive efforts all of you, as employees of A.P. Moller - Maersk, are putting into transforming this company.

Our transformation is fundamental and of course we cannot do it all at once. We are taking it one step at a time, and constantly delivering steady progress on the implementation of our strategy. 🌐

Block train? Next station

STRONGER TOGETHER | Block train services are winning new business with Maersk customers, showing the benefits of brands working together to provide more comprehensive and flexible solutions.



In November, a block train arrived in France full of sporting goods from China for retailer Decathlon's stores. Now, just a few months and several block trains later, Damco's rail team has won new business with clothing retailer H&M, and is doubling A.P. Moller - Maersk block train volumes.

Photo: Jesper Schwartz

n, Europe

BY SAM CAGE

✉ It started with a single train.

In November, a block train – booked by a single customer and shipped from the same origin to the same destination without being split up or stored en route – arrived in France, full of sporting goods from China for the retailer Decathlon.

Now, just a few months and several Decathlon block trains later, the rail team has won new business with clothing retailer H&M, doubling A.P. Moller - Maersk's block train volumes. This comes on the back of additional wins within the chemicals, fast-moving consumer goods (FMCG) and lifestyle sectors, with customers including Syngenta, Wyeth, Testrut and Levi's.

The ultimate aim for the team is to run a weekly block train service with Maersk Line containers between China and Europe. In this scenario, customers would buy space on Maersk's trains individually. This in turn would bring them even more flexibility.

"With the block train, we have identified and defined a service that is in genuine demand by our customers. As we – Damco and Maersk Line – are working together more frequently on rail, we are now beginning to see real results in the market with current and potential customers. These results are also creating a positive appetite for rail throughout the organisation," says Kasper Krog, Global Head of Rail for Damco.

Damco CEO Klaus Rud Sejlning also sees the success of the close working partnership with Maersk Line and the block train service so far as critical to taking rail to the next level, particularly in terms of commercial efforts.

"To make good on our ambition, we will need to sharpen our focus on winning over more customers and to strengthening people's understanding around the

benefits of block train," says Rud Sejlning. "Clearly, we have the experts and expertise in this field, so I'm confident we can look forward to bringing tangible results to more businesses with rail."

On track

The block train service is an example of how collaboration across the A.P. Moller - Maersk businesses is benefiting both customers and the operator company.

"Rail is an increasingly important option for our customers, so it's great that we're able to cooperate to meet their needs," says Lee Sissons, Maersk Line's Head of Trade and Marketing in Greater China Cluster. "We can see clearly that our customers are asking for rail in addition to their ocean freight business, so it is in our interests as a group to offer both. Maersk Line and Damco are benefiting from this cooperation, which also emphasises our approach to developing new ways of supporting our customers' businesses."

The service gives customers more flexibility in their supply chains. As the entire train is dedicated to a single customer, the containers do not have to be transported from a distant port or railhead to the warehouse.

"Moving from where we are today to establishing a weekly block train service is definitely an ambitious goal. But we have a great team of experts who have spent years getting the service to where it is," says Kasper Krog.

"We have listened to the customer, watched the market and become smart at the way in which we market ourselves. It's a fantastic rail journey, and we're all looking forward to reaching the final destination." ■

Multiple advantages for businesses

🕒 The 10,000 km block train service from China to Europe offers multiple advantages for businesses. In addition to saving some 21 days of transport time, the service also brings tangible financial, operational and environmental benefits.

Aside from costing less than air freight, the block train is substantially faster than sea freight. This means businesses can expand and mix multi-modal options according to their needs.

With sustainability becoming an increasingly important consideration for many businesses, the comparatively lower carbon emissions that rail offers can be attractive for firms with sustainability targets to meet. Rounding off the service is the minute-by-minute visibility that we can deliver to businesses via GPS tracking and daily reports on the cargo.



Safety first

Nothing is more important to Maersk than to keeping the people who work for the company safe. This has been a fundamental value for the more than 100 years Maersk has been in business. Each business carries out the safety activities and campaigns that are most relevant for their operations. However, promoting safety is based on key areas within which all businesses work: leadership, behaviour and culture, innovation and technology, competence and capability, and knowledge sharing. This theme provides examples of how the various business areas work with safety.

Maersk will never cut corners on

ONE FATALITY IS ONE TOO MANY | All unsafe behaviour is dangerous, and across Maersk initiatives have been implemented aimed specifically at mitigating safety risks in operations.


A man with glasses is shown in profile, looking intently at several large computer monitors in a control room. The monitors display various data and charts. The scene is dimly lit, with the primary light source being the screens themselves. The man's face is partially visible on the left side of the frame.

ver safety

Photo: Peter Elmholt



BY FLEMMING J. MIKKELSEN

→  Safety challenges vary across Maersk, but all unsafe behaviour is equally dangerous.

According to Morten Engelstoft, Executive Vice President, A.P. Moller – Maersk, and CEO of APM Terminals, a critical factor for embedding a stronger safety culture is broad leadership involvement to ensure that safety becomes an even more integrated part of the mindset of all employees – and daily decision-making.

“We need to continuously improve our safety culture, which includes having the discussions about whether management decisions could potentially put colleagues at risk. We need to have these conversations regardless of which level in the organisation decisions are being made,” says Morten Engelstoft. “We will never cut corners on safety – that should be entirely clear.”


All businesses across Maersk are implementing several initiatives aimed specifically at mitigating safety risks relevant to their operations.

The target is zero fatalities

In 2017, A.P. Moller - Maersk reported a negative trend on both key metrics for safety, Lost Time Injury Frequency (LTIF), which registers the number of injuries per million working hours, and the number of fatalities. Seven employees lost their lives in 2017, compared to two in 2016, and both Maersk Line and APM Terminals saw a negative development in LTIF.

Wednesday, 2 May marked the fourth annual Global Safety Day for A.P. Moller - Maersk, and during ‘safety team talks’ across the various locations, teams reconnected and reiterated their personal commitment to safety.

According to Søren Toft, Executive Vice President, A.P. Moller - Maersk, and head of Maersk Line Operations, this year’s Global Safety Day took place against the background of an unsatisfactory safety performance, most recently with the tragic incident on board Maersk Honam, in which a fire aboard the vessel cost five seafarers their lives.


“On 2 May, we asked everybody to hold a minute’s silence out of respect for and to commemorate our colleagues who tragically lost their lives while working for Maersk. Whether this happened on board a vessel, in a terminal or elsewhere is irrelevant: one fatality is one too many,” says Søren Toft. “I look forward to the day when we no longer have to share a moment of silence – that day will come when we have achieved our target of zero fatalities.” 



Rules to li

DANGEROUS CARGO | The fire aboard Maersk Honam in March resulted in five seafarers losing their lives. Maersk says it shows that current industry rules and enforcement related to dangerous cargo need reviewing – and that everyone has a role to play.

BY JOHN CHURCHILL

 From explosives to whisky to hairspray, the list of products classified as ‘Dangerous Goods’ on container vessels grows longer every year, and with it the International Maritime Dangerous Goods Code (IMDGC).

More than 800 pages long, the Code lays out the internationally accepted rules and guidance for the shipping industry on how to classify and properly label, pack, handle and transport thousands of different products classified as dangerous goods. Changes are proposed every year by countries and members of the International Maritime Organisation (IMO), and an amended code is published every two years – one year for implementation where both codes can be used and one year where the new code takes effect.

However, since the fire on board Maersk Honam



A serious fire aboard Maersk Honam was reported on 6 March 2018 at 15:20 GMT. En route from Singapore towards the Suez Canal, the vessel was located 900 nautical miles southeast of Salalah, Oman.

ve by



Photo: Maersk Line

"We don't yet know which exact container started the fire on Maersk Honam. But what we do know is that while the fire was burning, the amount and type of dangerous cargo in the cargo hold, where the fire took place, and the fire's location are what enabled the fire to become so big and uncontrollable and to continue for as long as it did, despite the fire-fighting efforts of the crew," says Palle Laursen, Chief Technical Officer for Maersk Line.

on 6 March 2018, a fire so severe it took the lives of five crew members and destroyed a third of the vessel, Maersk says a more urgent review of the rules related to DG cargo is needed.

"We don't yet know which exact container started the fire on Maersk Honam. But what we do know is that while the fire was burning, the amount and type of dangerous cargo in the cargo hold, where the fire took place, and the fire's location are what enabled the fire to become so big and uncontrollable and to continue



Dangerous defined

⦿ The shipping industry defines 'Dangerous Goods' (DG) as materials or items with dangerous properties which, if not properly controlled, present a potential hazard to human health and safety, infrastructure and/or the means of transport.



“What we know is that we were in compliance with all the rules for the stowage of dangerous cargo, and all our fire-fighting systems were working, and yet we lost five of our people. That tells me that we need to look closely at the existing rules and industry practices,” says Ole Graa Jakobsen, Head of Fleet Technology at Maersk.

- for as long as it did, despite the fire-fighting efforts of the crew,” says Palle Laursen, Chief Technical Officer for Maersk Line.

A guide to avoiding danger

There are nine classes of dangerous goods identified by the IMDGC based on the characteristics of the material and the associated risks.

Most of the DG classes give a clear indication of

what kind of products are included – Class 1 Explosives, Class 2 Gasses – but the last one, Class 9 Miscellaneous, shows how many different types of goods are considered potentially dangerous, from lithium ion batteries and first-aid kits to dry ice and even, cars.

The investigation into the root cause of the fire aboard Maersk Honam will begin as soon as the vessel arrives in Jebel Ali, UAE, at which point fire inspectors will board the ship. In the meantime, Maersk has taken

Background on Maersk Honam

ⓘ A serious fire aboard Maersk Honam was reported on 6 March 2018 at 15:20 GMT. En route from Singapore towards the Suez Canal, the vessel was located 900 nautical miles southeast of Salalah, Oman.

After unsuccessful fire-fighting efforts by the crew, a distress signal was sent out. Ultimately, five

members of the crew lost their lives because of the fire.

Today, the Maersk Honam is berthed at the port of Jebel Ali, where remaining cargo has been unloaded, an investigation by fire inspectors is in progress and repairs to the ship are in preparations.

a series of immediate actions (see sidebar) that are not dependent on the results of the investigation.

"What we know is that we were in compliance with all the rules for the stowage of dangerous cargo, and all our fire-fighting systems were working, and yet we lost five of our people. That tells me that we need to look closely at the existing rules and industry practices," says Ole Graa Jakobsen, Head of Fleet Technology at Maersk.

When rules aren't enough

Not everything can be improved with rules, though, which is why Maersk is looking at other aspects of the fire, including a full review of fire-fighting training and equipment on board the fleet.


In late March, all Maersk vessels participated in a one-day fire drill, unannounced beforehand to the crews. Designed to test their readiness for a severe fire, the feedback has been collected and will be analysed and used in conjunction with the results of the Maersk Honam investigation to assess the quality of crew training and the sufficiency of safety equipment on board.

Perhaps the industry's toughest task is how to ensure that everyone follows the new rules. Misdeclared cargo (incorrect or misleading description of DG) and undeclared cargo (not identified as DG) are part of a persistent problem in the industry that rules alone won't solve. Maersk says that most fire incidents on its vessels are caused by undeclared or misdeclared cargo.

There is no official industry source of data on container fires, but according to the TT Club, the world's leading insurer of shipping containers, serious container fires occur roughly every 60 days. Data compiled by the marine insurer Gard shows that the frequency of fires has increased over the last decade compared to the previous one – partly due to more cargo – and is predominantly caused by misdeclared dangerous cargo. In a March posting on its website, titled "Tackling cargo misdeclaration," Gard says 12 of the 13 container fire cases it handled in 2017 were related to misdeclared dangerous cargo.

"We need collective action"

"Losing one life is a terrible and unacceptable tragedy, and we lost five in this fire. We can't expect to prevent it from happening again if the industry doesn't make changes. Stowage and fire-fighting and training are factors directly in Maersk's control, so we're taking action there to see where and how we can improve," says Palle Laursen.

"But this is an industry problem, and for it to have an impact we need collective action on this. We need better rules and shippers to properly label, pack and declare their DG cargo and understand that they put lives at risk if they don't. Then we need to look at our current enforcement methods, like spot inspections and scanning, and find out how we can do better there. We must fix this, together." 

Actions taken after Maersk Honam

- Immediate prohibition on stowage of DG below deck and on deck in cargo holds directly adjacent to accommodation and engine room.
- Immediate requirement to stow high-risk DG on deck, to improve detection of fires by crew as well as access to fire-fighting equipment.
- Fleet-wide one-day fire drill, unannounced to crews, to test crew readiness and training as well as equipment on board. Experiences and feedback from the crews will be used to improve procedures.
- Process initiated with classification bodies, P&I clubs and external fire experts to review IMDGC rules and procedures for cargo acceptance, stowage and segregation of DG above and beyond current standards.



Photo: Eugen Virnav



Eyes in the sky

APM Terminals, Inland Services in Chile are among the first using drones for safety, security and operations efficiency.



Photo: APM Terminals

DRONES FOR SAFETY I A container shipping terminal, with its mix of people, heavy objects and moving machines, poses many safety risks. At its inland service business in Chile, APM Terminals is using drones to improve safety at its facilities.

BY JOHN CHURCHILL

► There used to be ten safety supervisors walking the grounds of APM Terminals' inland services facilities in San Antonio and Santiago, Chile, monitoring all activities. Now there are none.

If you stand at one of the facilities and look up, you'll see what has replaced them – drones.

"Our safety supervisors are the ones tasked with keeping the people and activities at our facilities safe, but by doing their jobs next to container stacks, trucks and other machinery, they were exposed to the highest risks," says Hector Espinoza, Director for Latin America at Container Operators S.A., a subsidiary company of APM Terminals. "I knew the mining industry was having success with drones for safety, so we started testing it out," he says.

The testing began in 2016. Since, drones were used to periodically film the site's operations, looking at traffic flows, monitoring container stack efficiency and unsafe behaviour, for example truck drivers leaving their cabins. Using drones, operations can be documented and analyzed from above. It provides a point of view that was not available before.

Greater visibility

APM Terminals, Inland Services in Chile are among the first using drones for safety, security and operations efficiency. Today, three drones – one in Santiago and two in the larger facility in San Antonio – have replaced the 10 safety supervisors who have been redeployed to workshops and areas with less machine traffic and other risks like high container stacks.

All visitors to the terminal are required to agree to the facility's safety policies, which informs them of the safety rules in force as well as the presence of the drone. Early versions of the drone included only a camera, but they now each have sensors for night-time flying as well as a speaker to communicate directly with people on the ground.

"The drones are guided by geofencing and what amounts to a route map for flying. The pilot has a live-stream view, so he can make phone calls to the necessary people or even fly in and use the speakers to inform a truck driver that he needs to get back into his truck," Espinoza says.

He says that after the drones arrived there's much greater visibility of the terminal operations and 'hot spots' like traffic or other obstacles as well as traffic flow, container stack efficiency and unsafe behaviour, such as truck drivers getting out of their cabs. The drones can also easily perform otherwise dangerous tasks such as rooftop and crane inspections.

"Blind-spots between high density stacks of containers now are totally visible from a bird's eye view," Espinoza says, adding, that the management team in Chile has plans to systematically review all critical tasks using the drone.

Have other terminals learned from your experience of using drones to monitor safety?

"It is expected to replicate in other business units this low-cost initiative to reinforce our commitment to safe operations, since safety is paramount to our business' success, our license to operate," Espinoza says. ■

Safety is a continuous challenge

TRAINING FOR SAFE OPERATIONS | How do ship officers respond to pressure? And how do they communicate to ensure they fully understand one another? These are some of the issues being addressed by a Maersk Training course for all Maersk Line bridge officers.

BY SAM CAGE

➤ On the bridge, the captain and his officers quickly assess the situation and figure out the best response.

They are not on a real bridge, but in a simulator at a maritime training course held by Maersk Training in Svendborg, Denmark. All Maersk Line bridge officers are taking the course, which enhances their preparedness in critical situations.

It is a very realistic simulator including wrap-around view of the horizon at sea and a floor that mimics being on a vessel, and the drills the officers go through are designed to improve how they

handle potentially dangerous situations.

The course includes interviews with a psychologist and an assessment of the officers' performance to identify areas with scope for improvement as well as the way they interact to ensure there is no miscommunication.

"It has opened my eyes to a whole new level of viewing things," says Andiswa Xakana, a South African Second Officer in Maersk Line.

"I like the fact that we also highlighted strengths more while working on the personal

"I like the fact that we also highlighted strengths more while working on personal development, and developed a plan for areas for **improvement**. It's really amazing how they picked up on certain things," says Andiswa Xakana, a South African second officer in Maersk Line.



Photo: Peter Elmholt

Photo: Peter Elmholt



Photo: Peter Elmholt



"Safety is very high on the agenda in oil and gas and they have a tough operating environment. That mindset is something the maritime industry can take inspiration from," says Johan Uggla, CEO of Maersk Training.

Maersk Line, APM Terminals, Damco, Svitzer and Maersk Container Industry, and then we can come with suggestions and better solutions. We have broad experience and are strong in people skills and human behaviour, and contribute by combining technical training with people skills."

development and developed a plan for areas of improvement. It's really amazing how they picked up on certain things."

How we behave

The Bridge Team Enhancement Programme (BTEP) is a five-day programme developed by Maersk Line in coordination with Maersk Training. The objective is to improve navigation skills, to ensure compliance with the Collision Regulations, to improve bridge discipline and for each officer to develop a personal development plan with the help of facilitators.

One aspect is human factors – understanding how we behave in certain situations and improving the fit between people and the systems in which they work. A lot of companies are now realising that having the technical capabilities will not do it alone, explains Johan Uggla, CEO of Maersk Training.

"Safety is very high on the agenda in oil and gas and they have a tough operating environment. That mindset is something the maritime industry can take inspiration from, that holistic approach of safety in the context of operations, technical, human factors and communications," Johan Uggla says.

"It's important to learn more about the operations of

A continuous challenge

Looking over the simulator, trainer Karsten Haegg – himself a captain by background – explains what is going on as the team is put through its paces. There is a link between what you do as a person and how you perform technically, and these are now being combined for the first time in training.

The focus is technical aspects, Haegg explains – a test with theoretical questions is used to evaluate what the participant knows, while the simulator is used to see how this knowledge is applied in different scenarios. Together with psychological tests, the simulator scenarios are also used to find out how the team members interact, and to identify their strengths and weaknesses in a mix of technical and human factor competences.

Johan Uggla underlines that Maersk has a strong tradition of training, competence and development, which are essential for serving its customers. It is not an add-on, or something that can be addressed from time to time.

"We should encourage the conversation of how do we continue to improve our approach to safety," he says. "It's not just doing something, and it's solved. It's an ongoing conversation. Safety is more than just some actions. It's a continuous challenge – it's never solved." 📺

The most precious mi

THE IMPORTANCE OF TRAINING | On a skiing holiday, Morten Kaiser found himself in the right place at the right time to put a 20-year-old lesson into practice. Kaiser, head of Maersk Training's People Skills department, helped to save a life, putting the importance of training into perspective.

BY RICHARD LIGHTBODY

➤ The helicopter lifted off, blasting snow towards the gathered faces. As it rose over the Austrian Alps, Morten Kaiser was left with just a name, and a lingering uncertainty about the frailty or sustainability of human life. The last 60 or so minutes had been some of the most intense of his life.

On the final day of their Austrian skiing holiday, Morten and his partner Stine were about to take one last run before heading home to Denmark. By the lift, a number of people had gathered round a fallen skier, and Morten suddenly found himself at the centre of one man's crisis.

Morten has spent his adult life being trained and training others, first as a Danish army officer with tours in



Photo: Peter Elmholt

"I would like to extend a special thanks to the extremely competent people at Sölden ski lifts and the piste and helicopter rescue services for a formidable and admirable effort and their daily work to make us feel safe while exercising our passion in high Alpine terrain," says Morten Kaiser.



Minutes of two lives

Kosovo and Afghanistan and more lately as the head of Maersk Training's People Skills department.

"It had been a very rough year, and I'd been appraising it from a professional point of view, asking myself what was I actually achieving. Did it make sense to spend so much effort to travel globally to train and mentor people and organisations?" he explains. "Suddenly, there was this moment when things that I'd learned over 20 years ago clicked into action and feelings I'd currently thought about totally evaporated."

"He is dead"

The skier's friend said he was called Georg, that he was German and in his 60s. He had no pulse and was lying

in the NATO recovery position, still eyes staring out into nothingness. Seven or eight other skiers looked on, frozen in movement, frozen in effective action.

If Morten and Stine hadn't stopped to take a few last-day pictures, they would have passed the spot before Georg collapsed. Fate had placed them in the now critical situation.

Georg's friend initially resisted Morten's suggestion to roll him onto his back. "I said if he stays there he is going to stay like that forever because he is dead, there is no pulse, no breathing, so we need to act now, we need to do something."

Finding the pressure point on Georg's chest, Morten



Photo: iStock

- started to give rapid rhythm pushes, rotating with two others while a man from the piste rescue service fed oxygen into the stricken man using a tube down his throat and a hand bulb pump. A young doctor and some paramedics arrived on the scene and approved of the action being taken. Georg was attached to monitors, a drip put in his neck and given an AED shock, but the monitors remained on zero. They resumed the rhythmic pressure.

Stop for two minutes

After 30-35 minutes the young doctor, now in charge, asked if anyone had seen what happened, but no one had. He then said, "We stop in two minutes." Morten explained that he did not want to challenge the doctor's authority, but that Georg had been without oxygen for three minutes at most between collapsing and when Morten had started the heart massage, and it was

below freezing, which also helped because humans can survive for longer without oxygen in the cold.

"The doctor was afraid that Georg had been without oxygen too long which could have caused brain damage. I was trying to persuade him that could have been the case, but not within three minutes and not with -5 degrees.

"We train for something that hopefully we're not going to need, but when I came across this guy it was almost second nature"

Morten Kaiser, head of Maersk Training's People Skills department

"While I was doing that, suddenly I felt something. His chest, the lower part, started to move below his lower rib, and I started sensing something. I shouted to the doctor 'Check the monitor there is something happening here.' He glanced at the monitor and threw his papers away and said 'What the ****, he's alive – we've got him!'"

Life in perspective

Within minutes Georg was stretchered off to the helicopter and the chaos and the crowd slowly dissolved. Morten was suddenly alone.

"It was not about me or the other guys, it was about Georg," he explains. "But it was quite rewarding to be able to help and to experience that what you have trained and taught for so long actually really works. We train for something that hopefully we're not going to need, but when I came across this guy it was almost second nature."

The parallel with training continued for weeks after the event as Morten wondered what happened to Georg. Did he make it?

Georg's mate had asked for Morten's business card, a nice irony as the vacation was about forgetting work. Without one Morten wrote down his number, but didn't hear more and was left in an awkward limbo. Like a book with the last chapter missing, there was no happy or sad ending, no closure.

Six weeks later

But there was. Georg was airlifted to a hospital in Innsbruck. Google Earth showed that the Tirol Kliniken

was the only one with a helipad. The clinic was able to confirm that Georg had been admitted to the cardiology emergency room, stabilised and 10 days later transferred home to Germany in a cardio-stable condition. More than that they could not say because of patient confidentiality.

"Knowing makes a big personal difference to me. It inspires me to continue to train and mentor people because it seems to matter to train and prepare for worst-case situations, even if most of us never get to put it into practice and test our ability to act and apply what we practice," Morten says.



"Suddenly, there was this moment when things that I'd learned over 20 years ago clicked into action and feelings I'd currently thought about totally evaporated," says Morten Kaiser.

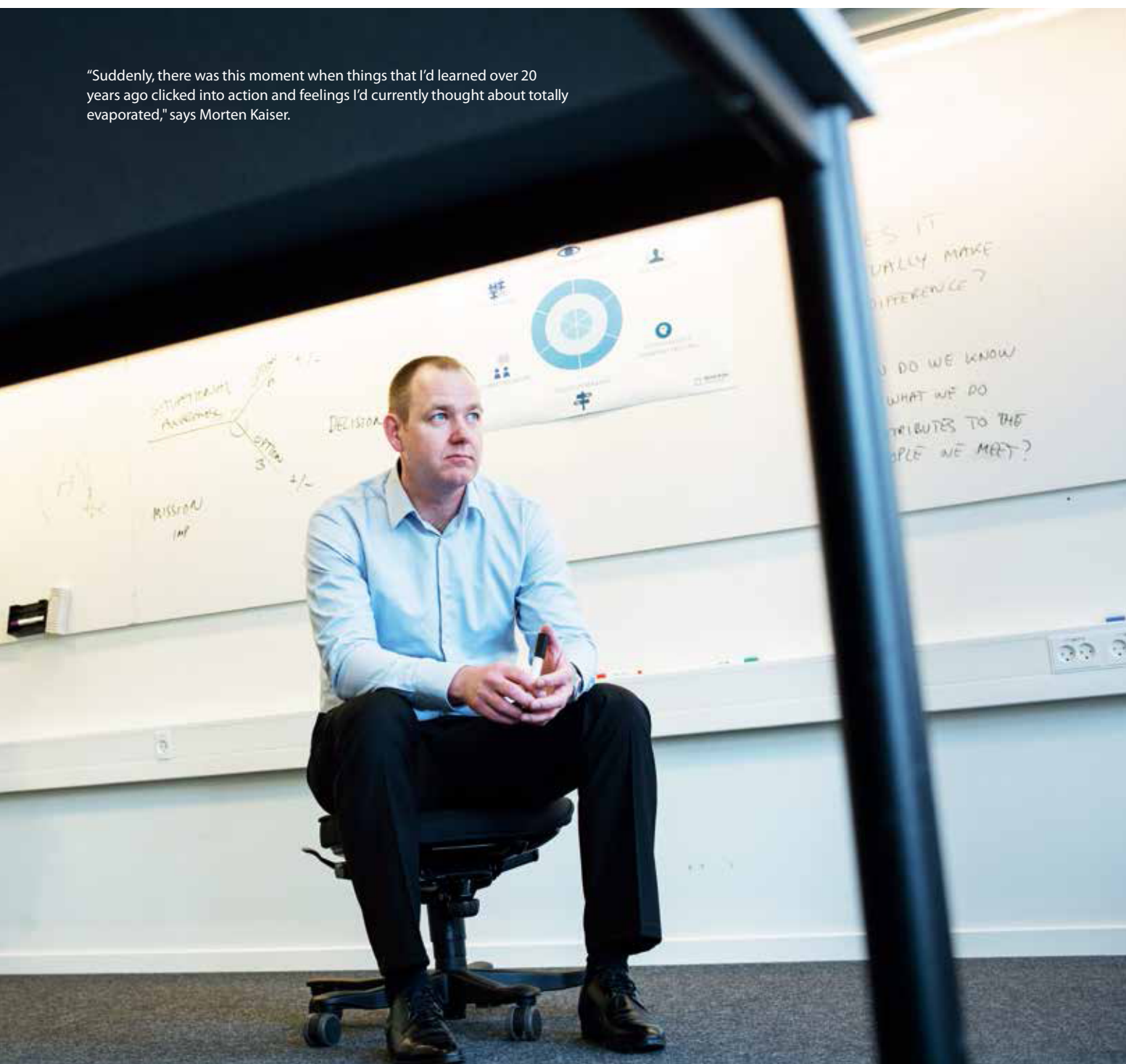


Photo: Peter Elmholt

"Ironically meeting the two German skiers and helping them gave me new energy and a renewed sense and making a difference. I hope that the three of us can one day share a beer and discuss, then even maybe even take a few turns together in Sölden."

Update: It would be over ten weeks before the next instalment of the story. Morten answered his mobile. At the other end was Alexander, Georg's friend, giving an update on Georg. Alexander confirmed that Georg's recovery is still on course and said that he and Georg talk about the Dane who gave him a new beginning. ■

A safe return to life

🕒 Morten Kaiser was extremely hesitant about telling the story, and wouldn't have done so without confirmation that Georg had made it through.

"I would like to extend a special thanks to the extremely competent people at Sölden ski lifts and the piste and helicopter rescue services for a formidable and admirable effort and their daily work to make us feel safe while exercising our passion in high Alpine terrain. And an additional thanks to the people at Tirol Kliniken that ensured the safe return to life."



Bringing the blueberry muffin to your table

Maersk Line and APM Terminals ensures that the blueberries make their way safely out of South America.

Photo: MCI

GLOBAL INTEGRATOR I A collaboration between [Maersk Container Industry](#), Maersk Line and APM Terminals is using advanced technology combined with the facilities and networks across the company. This is benefiting both Maersk and its customers.

BY SAM CAGE

► Anyone for a [blueberry muffin](#)?

The journey behind your favourite sweet treat is a little more complicated than you might think. Fruits like avocados and bananas respire, so in effect the CO₂ they release can decide the conditions in the reefer containers they are transported in – all the container must do is to maintain that atmosphere.

Blueberries respire less, and so need a little help to get the conditions just right, with nitrogen and CO₂ injected, a process known as CA+.

Maersk Container Industry's [Star Cool CA containers](#) – known as [Starcare™](#) when used by Maersk Line – enable this, together with a collaboration with Maersk Line and APM Terminals which ensures that the blueberries make their way safely out of South America.

"Starcare supports the way we want to work," says [Steen Aunstrup, Senior Reefer Product Specialist for Maersk Line](#). "Cost-wise it's better, and we avoid logistics and complications that come with third-party vendors. On top of that, we can give the customer full

visibility through RCM – Remote Container Management."

Bringing the best value
The technology and cooperation behind the CA+ service agreement is one of the examples of how the company is stronger when working together, and how brands such as Maersk Container Industry is contributing to the new Maersk.

It aims to do so by leading the container manufacturing industry and consolidating its customer base among container carriers and leasing companies. This is bringing

the right technology and services at the right price to support the Maersk vision of being the global integrator of container logistics.

"To create value for our customers and be accretive for our shareholders, we need to have the best product at the lowest cost – something that's easy to say but not so easy to do," says Sean Fitzgerald, the Maersk Container Industry CEO who joined Maersk in January. "By always making this our goal, we will have a sustainable competitive business. The after-sale services we supply are also very important. Over a reefer's 15-year working life, services allow us to be more intimate with the customer, hence drive more value, and hopefully generate repeat business."

Maersk Container Industry has a total customer base of over 40 container lines, leasing companies and multinational fruit companies, although Maersk Line was the first and today is still the largest. The ambition is to grow the customer breadth and depth even further, and it has recently won several new large customers who have added Star Cool reefer containers to their fleets for the first time ever.

"When we can win with the industry, we can win with Maersk Line, and vice versa," says Fitzgerald. "Our customers should choose us because we offer the best value, and the same goes for Maersk Line."

Customers benefit

Taking full advantage of the collective technological expertise within the cold chain field, for example, benefits Maersk's global integrator vision in several ways.

It gives Maersk Container Industry customers a seamless world-class end-to-end solution, and the optimised use of in-house services and products is clearly of financial benefit to A.P. Moller - Maersk, as reflected in Maersk Container Industry's improved balance sheet in 2017.

"We knew we had a good system, but as always with customers, we had to convince



Photo: Jesper Schwartz

"To create value for our customers and be accretive for our shareholders, we need to have the best product at the lowest cost – something that's easy to say but not so easy to do," says Sean Fitzgerald, CEO of Maersk Container Industry.



Photo: MCI

Maersk Container Industry's Star Cool CA containers – known as Starcare™ when used by Maersk Line.

them it was easy and consistent to use – so we said, why not conduct a trial? And it went as smoothly as we anticipated," says Morten Klose, Sales Manager for Maersk Container Industry. "What we're doing with blueberries is a true Maersk collaboration effort, working as an integrated company for the benefit of all our customers." ✦

Fresh fruit

Maersk Container Industry and Maersk Line entered into a service agreement in December for Starcare+ flushing services – injecting the reefers with nitrogen and CO₂ – in South America. This caters for high-value blueberry shipments from Chile and Peru during the five-month season, and the plan is to expand to Argentina and South Africa.

Maersk Line has contracted Maersk Container Industry with the task of ensuring the right atmospheric conditions in the Starcare+ CA containers. The service replaces Maersk Line's activities with third-party suppliers with a more reliable, transparent (through Remote Container Management) and cost-efficient solution.

Maersk Container Industry is looking after the management of its contracted service providers at loading locations to do the right job, including control, injection of nitrogen and CO₂ and follow-up. Local APM Terminals depots are being used for this.

Breakfast of trade

EMPLOYEE ENGAGEMENT I In Saudi Arabia, local teams have taken big steps to strengthen relations between management and employees, while nurturing a more diverse and inclusive culture that balances Maersk's values with societal norms in the Kingdom. And the efforts are paying off.

BY JESPER TOFT MADSEN

➤ On her first day at Maersk, Asmaa Gadri enjoyed breakfast with HR and her new, female colleagues at the Jeddah office. A basic meet 'n' greet it would seem, until they were accompanied by one of their male colleagues, Mohammad Shihab, the Saudi Cluster Top.

"He basically just stopped by to say hello and joined our conversation. But I was just thinking, wow what a shift. This could never have happened anywhere else," says Asmaa Gadri.

Coming from a position in the banking sector, a traditional Saudi industry where interaction across hierarchies is a lot more reserved, the 24-year-old's first day as a customer experience partner at Safmarine was a positive culture shock.

"The whole experience of being so casual and open really made an impression on me. When I later realised that Mohammad is part of the management team, I was shocked to have had that level of interaction."

Breakfast conversations is a new initiative aimed at strengthening relations between management and employees at the Jeddah office and part of a wider effort to increase diversity and engagement in the region.

Local efforts address global challenges

While the cultural norms in Saudi Arabia are different to those found in most Maersk regions and offices around the globe, the key challenges remain similar. Insights from the employee engagement survey earlier this year highlighted that A.P. Moller - Maersk scores relatively low compared to peers on having managers who care about and recognise employees for their work.

"Managers are the most crucial drivers of engagement. The results indicate that there is a management-employee gap, and we're now seeing how local teams and departments are working to close it," says Lars Even Rasmussen, Head of Culture, Performance & Team Development at Maersk.

In Jeddah, the introduction of weekly breakfast sessions has helped bridge a gap that is particularly wide in a gender-segregated society dominated by traditional roles and hierarchies. Each week, a member of the management team eats breakfast with employees, many of them new to



Photo: Malek Touqan

champions



Mohamad Abdallah (left) and Asmaa Gadri (right) recently joined Maersk in Saudi Arabia and have both been impressed by the open-door office environment.





Photo: Malek Touqan

Ahmed El Esseily, Cluster Customer Service Manager (left) and Mohammad Shihab, Cluster Top (right), have made engagement initiatives one of the key performance drivers.

→ the industry, to share experiences from their time at Maersk.

Mohamad Abdallah joined the company as an inland project supervisor less than a year ago:

"I really like that everyone participates, no matter your position. I never used to sit with senior colleagues, and as new employees we get important exposure to management as well as colleagues from other teams. People are open, friendly and humble, and it really helps when you work together that you're not strangers on a personal level," he says.

Ahmed El Esseily, Cluster Customer Service Manager and a member of the leadership team, emphasises that the informal sessions, which were

initially intended as an inclusion initiative for the women, have become an important platform from which to develop stronger relations with all colleagues by having conversations about the Maersk culture and values through both personal and professional stories.

"I've been with the company for 19 years and it feels like my home. I try to explain to our new colleagues that most days they will spend more time here than with their families, and that's why we need to build strong connections," he says.

Five years ago, women accounted for less than 5% of employees at the Jeddah office. Today, Asmaa Gadri's first impression of Maersk's open-door policy is far from unique, as the Saudi cluster has made it a

How teams engage globally

Asia

Damco has launched initiatives to increase recognition and stimulate a positive working culture, e.g. through the Gold Star Reward Programme that acknowledges employees who make a great impact in daily operations. The organisation is also building a SharePoint site for all employees, including frontline staff, to allow direct access to the Area CEO in an open forum where everyone can share ideas and raise questions.

Central America

Maersk Line's customer service team in the Caribbean cluster is taking several steps to improve recognition. One of them is to award a monthly Customer Service Hero, which celebrates an employee's efforts to make a difference to customers while driving strong business results. Recognition from customers is also put up on a poster at the office.

Oceania

In Australia, Damco teams are working systematically to address key challenges highlighted by the engagement survey – from morning stretches and social events across departments that bring colleagues closer to daily huddles aligning expectations and a millennial programme that nurtures growth and development.

strategic priority to bring more local women into an organisation that – like most international companies in the region – has been dominated by men and expats.

"Since 2016, we've accelerated our ambition to create a more diverse workforce. We wanted to build a high-performing team that values inclusion and participation – and rewards it," says Mohammad Shihab, Saudi Cluster Top.

In Saudi Arabia, every office has a 'women's only' section as dictated by law. At Maersk, female employees now have one desk in the women's section and another with their teams. In less than one year, the company has more than quadrupled the number of female employees, from four to 18, yet the ladies' section is rarely occupied as most women prefer to be involved with their teams rather than sitting in isolation.

As women make up more than 25% of the roles in Jeddah today with several new hires occupying leadership positions, the culture has undergone a significant shift.

"Gender roles are changing quickly across industries, especially here in Saudi Arabia. Equally, Maersk's culture is very different to that of other companies in the region. You feel the values in the air as a strong guideline for how we act, and new employees respond very positively to the fact that

every door is open to them and they can ask anyone for advice," says Ahmed El Esseily.

Buckets encourage feedback

While breakfast conversations build new relations between employees and management, the local HR team has also introduced feedback buckets to encourage positive interactions.

"We gave the buckets to the women to make them feel recognised and to show that we care about our colleagues. People drop short, positive notes into each other's buckets – it's a small gesture but it can really make your day," says Enar Ali Al-Qurashi, HR Business Partner in Jeddah.

At the end of each week, HR gathers the anonymous feedback from the buckets and reads it out aloud. Like the breakfast sessions, the feedback buckets have also caught the men's attention and most desks now have one.

"I wrote three notes praising my colleagues' work and character, and it made them feel very appreciated. I feel as though I'm contributing to a good atmosphere in the department, and it reflects positively on your work and behaviour," says Mohamad Abdallah, who is now looking forward to receiving productive feedback of his own.

With the positive aspects of the feedback culture already emerging, the idea is to also share constructive feedback that can help all employees develop as professionals.

Happy employees, happy customers

Feedback buckets and informal conversations between management and employees are just two initiatives that have proven beneficial as part of a broader effort to create a shared mission in Saudi Arabia. According to Cluster Top Mohammad Shihab, customer centricity has become the common goal that every employee across departments and offices is striving towards.

"We want everyone to know what we stand for, and to wrap the cluster around the customer. In the past, we have struggled with a low Net Promoter Score (NPS). Now we're proud to have a very ambitious group of people with a sense of mission and lots of positive energy."

Today, the Saudi cluster ranks among the best-performing, based on NPS. Shihab sees a clear link between the engagement efforts and business performance:

"How can you have happy customers if your employees aren't engaged?" he asks. "I love the breakfasts and all the HR efforts that help stimulate an open and honest culture. However, it's not just about inclusion and singing kumbaya. We must also be transparent as leaders and apply strong performance management policies to ensure that we do our best for the customer every day and make every interaction count."


For the remainder of 2018, the strategic focal point in Saudi Arabia will be on the transport and logistics integration with intermodal services being a key theme.



Part of the HR team working on engagement and inclusion, Enar Ali Al-Qurashi is among the growing number of female employees in Jeddah.

Photo: Malek Tougan

A special guest

A full-page photograph of a ship's interior, showing a complex network of white-painted metal structures, including large vertical pipes and multiple levels of walkways and stairs. A man in a blue uniform and green hard hat is walking up a set of stairs in the lower right portion of the frame. The lighting is bright and even, highlighting the industrial environment.

Chief Engineer John Broholm onboard the Cap San Augustin as an onboard buddy:
"It's a very fine and wellfunctioning ship and the crew is eager to learn."



on board

HAMBURG SÜD + MAERSK | Although the fundamentals of sailing remain the same, seafarers from Hamburg Süd are facing many changes as they join the Maersk Line fleet. Colleagues have paid them a visit to ensure a smooth integration – one of this year's top priorities for A.P. Moller - Maersk. Chief Engineer John Broholm jumped out of Maersk Line's fleet rotation to join the Hamburg Süd vessel, Cap San Augustin as an onboard buddy for two to three weeks.

BY JESPER TOFT MADSEN

➤ "We are sailors. Our job is to bring cargo safely from A to B while taking care of ourselves and the environment around us."

When Maersk Post asks Captain Uwe Köhler how he has experienced joining Maersk, he delivers a straightforward response:

"There's a lot of extra paperwork and regulations – added work you could say. But a vessel is a vessel, water is water. Sailing hasn't changed."

To ease the transition for vessel crews, captains and chief engineers from Maersk Line have literally onboarded all Hamburg Süd vessels as an extra capacity and introduced them to Maersk's way of working. And for good reason.

In the past few months, 44 Hamburg Süd-owned vessels have been transferred to the Maersk Line fleet. The vessels are now sailing under Danish and Singaporean flags, enabling Maersk Line to handle its joint fleet in an aligned, simple and efficient way which ensures consistency and represents a significant competitive advantage.

The Maersk way
Uwe Köhler, a seasoned German seafarer, has spent 39 years at Hamburg Süd. With the Cap San Augustin resting in a Hamburg dry dock, he has probably witnessed more changes during the first weeks of April than in his whole career with the German shipping line.

Photo: Christian Bruch



→ The 9,800 TEU container ship was reflagged on 1 April. For Hamburg Süd seafarers, sailing under a new flag and Maersk's compliance processes bring a range of changes – from signing new employment contracts to using different IT systems and adopting new practical procedures.

Therefore, the crew has had a special guest on board. Chief Engineer John Broholm jumped out of Maersk Line's fleet rotation to join the Cap San Augustin as an onboard buddy for two to three weeks, becoming the crew's go-to person and introducing them to the Maersk way.

"It's a very fine and well-functioning ship and the crew is eager to learn. However, the change process is huge, and I can help make sure that crew members don't have to spend their rest time

"Two years from now, these changes will be forgotten because we're all seafarers and we'll find the best and easiest way together"

Uwe Köhler, Captain, Hamburg Süd

on new tasks. In this way, we can make the integration happen more smoothly for everyone," says Broholm.

Investing in personal relations

To successfully integrate Hamburg Süd is one of this year's core priorities for A.P. Moller - Maersk. Taking 44 senior seafarers out of regular rotation to help introduce their new colleagues to the fleet sends a strong signal that Maersk means business, says Tanuj Luthra, Head of Fleet Operations at Maersk Line:

"The integration demands a tremendous effort on both sides, and the importance of the personal connection between seafarers should not be underestimated."

While in dry dock, the crew is busy doing maintenance work at the service yard, such as cleaning, paint jobs and repairs. This means that the captain and his buddy have spent most of their time together on IT systems, learning

how to perform documentation and reporting, manning as well as online training.

Köhler's first impression of Maersk is influenced by the fact that Hamburg Süd captains now carry more administrative responsibility – a natural consequence of becoming part of the world's largest shipping line, but also a part of the job that rarely feels rewarding for natural-born sailors.

"It takes time to learn about Maersk and its culture, and we want to do our best. Two years from now, these changes will be forgotten because we're all seafarers and we'll find the best and easiest way together."

Hamburg Süd seafarers are experiencing a shift in the way they communicate with colleagues on shore – from ship management support based in one city with one person covering most of the process to more specialised teams at several locations, each supporting different parts of the process.

"More touchpoints and standardisation are necessary in a company of our size because we want to offer the same high level of service to our customers globally. I recognise that this can be difficult at first, however, we have chosen to do things in an aligned way, no matter the location, so that our fleet remains scalable and flexible, and so we can offer seafarers opportunities across the entire fleet," explains Tanuj Luthra.

Network of seafarers

The captain appreciates Maersk's investment in bringing experienced seafarers on board as part of wider vessel support.

"The solution is not cheap, but I

The two seafarers, Captain Uwe Köhler and Chief Engineer John Broholm, expect the value of the buddy network to only increase with time, based on the personal relations they have built.





Photo: Christian Bruch

Integration recap

Ownership change

All Hamburg Süd vessels are now owned by either the Danish or the Singaporean Maersk entity to ensure consistency across the entire fleet.

Re-flagging

44 vessels have been reflagged in line with the Maersk Line flag strategy to ensure an efficient operating model and to avoid double taxation of seafarers in Denmark and Germany.

DOC transfer

All vessels are now subject to the ML Document of Compliance (DOC), and are following Maersk's procedures and standards.

Buddy programme

To complement onshore planning and support, Hamburg Süd vessels have received onboard support from a Maersk Line captain or chief engineer, who have introduced crews to Maersk's processes and systems, as well as helping onboard management during the change process.

Next steps of the integration

With the organisation in place and all vessels now part of the same fleet, the integration process is entering its final stage.

- **Joint operations** – Marine operations are being handed over to the Liner Operations Clusters (LOCs) to ensure joint operations of the combined fleet, starting from mid-April and continuing into the third quarter of 2018.
- **Joint equipment pool** – The pool of containers will be combined during the second quarter to offer customers greater availability via a reduction of buffer stock.



Photo: Christian Bruch

The Cap San Augustin resting in a Hamburg dry dock.

→ think it's worth it. If an officer needs to know how to register rest and overtime, he has someone to ask no matter if it's 8 in the morning or 10 at night. John has been wonderful to work with, and it's not just him – the whole fleet is helping us."

As part of the support programme, buddies have formed a network, initially via instant messaging on WhatsApp, where Hamburg Süd crews can seek advice from their Maersk Line colleagues.

"I have many years of experience as an engineer, but only just realised how much a captain needs to do besides sailing," says John Broholm. "There are limits to what I can teach Uwe, and we're already benefiting from a huge network of captains, engineers, officers and electricians sharing guidelines and tips."

Extended family

The two seafarers expect the value of the network to only increase with time, based on the personal relations they have built.

"Other Maersk colleagues have joined this vessel already," says Broholm.

Both he and the captain share

"There are limits to what I can teach Uwe, and we're already benefiting from a huge network of captains, engineers, officers and electricians sharing guidelines and tips"

John Broholm, Chief Engineer, Maersk Line

an ambition with many of their colleagues to try new ships, meet people and see different ports.

"I expect people to blend in even more and become one family with time. People from Maersk have shown a real interest in us, and we have learned a lot from each other already," Köhler adds.

Besides supporting the hands-on integration of seafarers, the buddy programme has acted as a platform for knowledge-sharing and identifying best practices. These will be evaluated, and the most valuable lessons will be implemented across the joint fleet – in other words, combining the best of both worlds. ■

News in brief

Building global functions for One Maersk

To deliver on Maersk's vision to become the global integrator of container logistics, Maersk's corporate functions will enable a one company approach and take the next steps to become globally integrated teams across brands.

"Since the first steps were taken to integrate our corporate functions in 2016, Maersk's corporate functions have been driving the transformation, and we will continue this journey with the brands by creating global functions with shared reporting lines, unified ways of working and scale advantages. In doing so, we expect to find synergies, reduce complexity and enable our corporate functions to add further business value," says Ulf Hahnemann, Chief Human Resources Officer.

A simpler, focused and more agile organisation will also help reduce costs to fund Maersk's transformation. "We are keen to return to the cost levels in 2016," says Hahnemann.

Many of the corporate functions are now conducting exercises with the brands to simplify their structures including Finance, HR, Procurement, Legal and Communications. This work will continue throughout 2018.

"To maintain business continuity during the integration, Hamburg Süd will not be involved; likewise with less opportunities for strategic alignment, Svitser will not be included" says Hahnemann.

"If any employees are not clear about whether their department is involved, I encourage them to speak to their manager," he says.



"A simpler, focused and more agile organisation will help reduce costs to fund Maersk's transformation," says Ulf Hahnemann.

When it's more than a job

WORKING WITH THE COMMUNITY | As CSR manager with APM Terminals Marika Nadaraia oversees several programmes in Poti, Georgia. And in her spare time, she volunteers to help her home town and disadvantaged people in the local community.

BY SAM CAGE

➤ It's not normally considered a good thing to take your job home with you. The case of Marika Nadaraia is just a little different.

Marika is Communications and Corporate Social Responsibility (CSR) Manager with APM Terminals at Poti Port in Georgia, and has a strong connection and commitment to her home town. In her role, Marika runs a number of projects, particularly in the areas of children and education, such as supporting a local orphanage and schools.

And when she clocks off, it's time to volunteer to help her community. She was born and brought up in Poti, studied at the University of Cambridge, and has founded a charity organisation called the Believe Foundation, which raises money for charity work mainly in Poti.

"I think it's important to support the community where you grow up, because it's very close to my heart," Marika says.

"I don't think I'm doing something special. This is not work for me, it is something that makes me happy. The feeling of giving is gratifying, when you feel the happiness of helping others, you are a different person from yesterday."

Part of the community

APM Terminals Poti uses its CSR budget to support a local orphanage, providing brand new furniture and renovating the library/study room with tables and chairs, donating books, a variety of educational posters and school uniforms.

It also works with various state schools, such as sponsoring large-scale educational and environmental projects. And every year, APM Terminals Poti gives



Photo: Jesper Schwartz

In her role, Marika Nadaraia runs a number of projects, particularly in the areas of children and education, such as supporting a local orphanage and schools.



→ awards for the best students in the city, contributing to the development of the children and their motivation.

"APM Terminals contributes where we believe we add value," says Nadaraia. "Our goal in 2018 is to benefit the community where we operate and to link our CSR initiatives to the [UN Global Compact Sustainable Development Goals](#). These provide a great opportunity to unite all stakeholders to end extreme poverty, improve quality of education, and protect our planet."

Joy, love and colours

At the weekends and in her free time, Marika Nadaraia does voluntary work, mainly at the Believe Foundation and at a daycare centre and orphanage in Poti on Georgia's Black Sea coast. Believe Foundation is a non-profit organisation which supports children with disabilities and youth development to make their lives easier. It has support from private businesses and other volunteers.

"When you volunteer and do a community project once, then you see those hopeful and bright



Photo: Jesper Schwartz

In her free time, Marika Nadaraia does voluntary work, mainly at the Believe Foundation – a non-profit organisation which supports children with disabilities and youth development to make their lives easier.

eyes of the children and believe me, if you do it once then you do it again it becomes something very important in your life. Those children bring joy, love and bright colours into my life and I enjoy what I'm doing, and I think it brings value for this community and I'm very happy that I can be part of this," Nadaraia explains.

The fund-raising Nadaraia undertook with her friends was the first ever in western Georgia, and the money was used to make repairs to the daycare centre, empower socially vulnerable

families and help the Deaf Union as well as supporting children and adults with disabilities in Poti. Now, she advises other NGOs on the fund-raising process.

Many friends have moved away from Poti but still support their mutual charity efforts.

"This is my home town. I was born and raised in Poti, and after graduating from high school I went to study in Tbilisi and came back to work," she adds. "It's not just one person – it's a whole community effort to make the city a better place." ■



Photo: Jesper Schwartz

"When you volunteer and do a community project, then you see those hopeful and bright eyes of the children, and believe me, if you do it once, and then you do it again, it becomes something very important in your life," says Marika Nadaraia.

Playing across the oceans

MYKOLA PEREVERZA

Age:
30

Nationality:
Ukrainian

Family:
Married and a 2-year old son

Hobby:
Playing the accordion

Years at Maersk:
10



Photo: Jesper Schwartz

MyMaersk

PlayStation, books or videos? – How do you spend the off-duty hours on board a vessel far from home? Mykola Pereverza spends his free time at sea somewhat differently to most sailors.

BY JESPER SCHWARTZ

✉ The officers' deck on board Moscow Maersk is much like that on most Maersk vessels. But if you listen carefully, an unusual sound can be heard through the wailing wind from outside and the distant chatter of voices. It's the sound of an accordion. And it's coming from the chief officer's cabin.

"Playing the accordion, you're doing three things at the same time, and this has improved my multi-tasking skills. This is helpful when working on the bridge," says Mykola Pereverza.

He began his Maersk Line career at the Odessa National Maritime Academy in Ukraine 10 years ago. Today, he is chief officer on the 400-metre, second-generation Triple-E vessel Moscow Maersk.

"When I close my eyes and play, I suddenly feel like I'm back home with my two-year-old son"

Pereverza has been riding the waves throughout his career, and is now about to become a captain at the age of 30. One of the secrets of his success is his favourite instrument from his home town, the accordion.

"When I close my eyes and play, I suddenly feel like I'm back home with my two-year-old son," he says.

A cure for homesickness
Playing his native tunes while crossing the big oceans makes him feel close to home even when he's thousands of miles away.

While he enjoys the work and the responsibilities on board the ship, Pereverza sometimes feels home-sickness sneaking up on him when his daily work is done. But music helps: "Playing the accordion actually cures my homesickness."

Almost all his free time on board is spent practising old folk songs and working on his finger technique. He needs to improve because when on leave, his music school teacher is expecting to hear progress after three months of playing at sea. "It's important for me that our local folk music isn't forgotten. It's a big part of me and my home town."

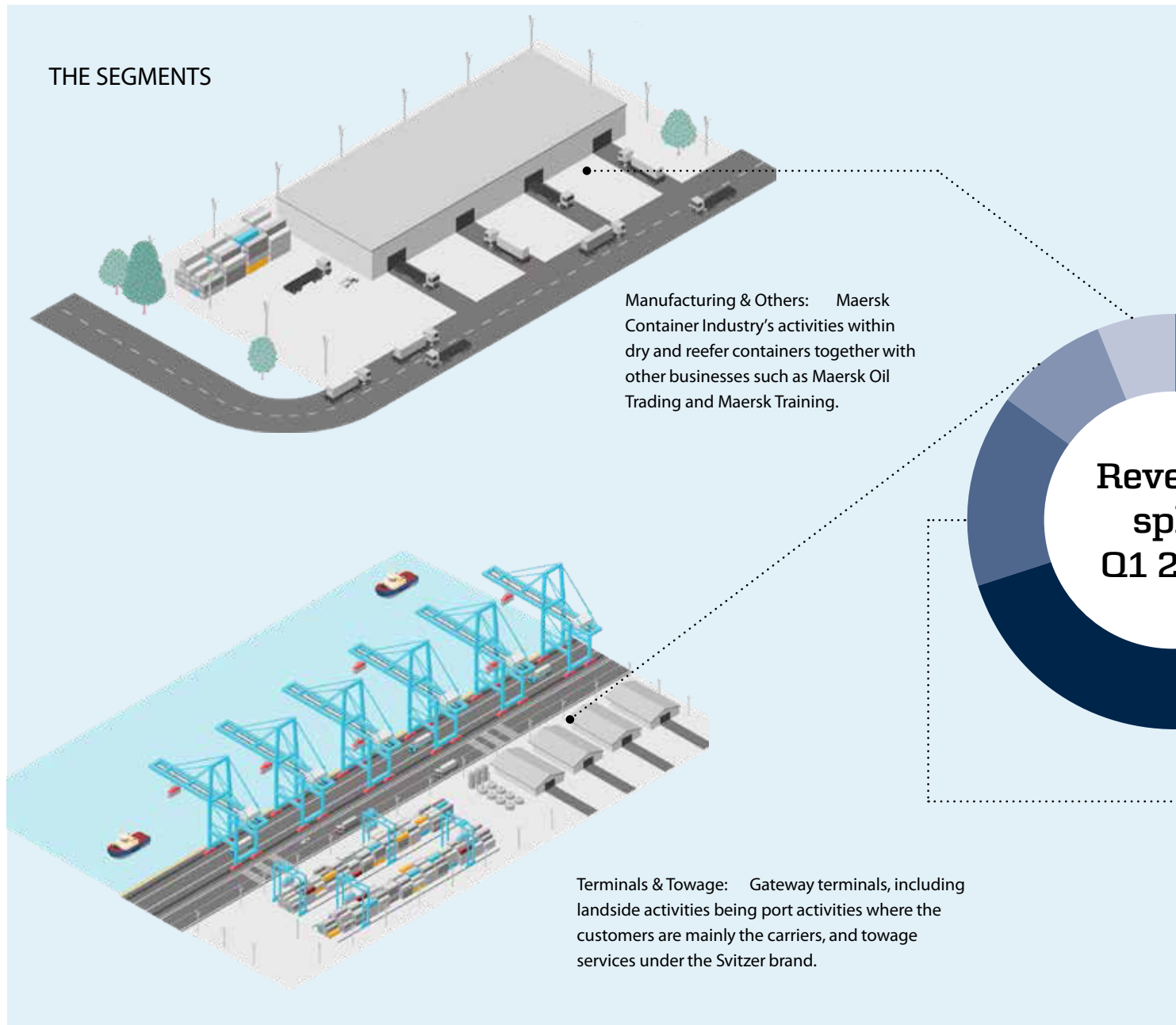
Being very ambitious, he likes to keep improving. Not only his playing skills, but also in his career. In future, a senior position on shore could be tempting, but right now, his focus is on becoming a captain on board his own ship – and indeed, Pereverza has now received confirmation that he will be joining a new ship as captain.

So, it looks as though we'll soon see the first accordion playing captain in Maersk Line. ✉

Who should we feature next time in MyMaersk?

If you have an inspiring colleague who leads an extraordinary life inside or outside of work, nominate them for MyMaersk by sending an email to maerskpost@maersk.com.

The new financial reporting



SEGMENTATION I As part of the strategy to become the global integrator of container logistics, A.P. Moller - Maersk has implemented a new financial reporting structure with effect from the first quarter 2018. Jesper Ridder Olsen, Head of Accounting and Tax, explains the reasoning.

BY SAM CAGE

Changing the financial reporting structure is a natural step in the journey to become an integrated container and logistics company with one bottom line.

The new financial reporting – with the introduction of the new segments Ocean, Logistics & Services, Terminals & Towage and Manufacturing & Others (see graphic for more details) as well as new operational metrics to supplement the financial key

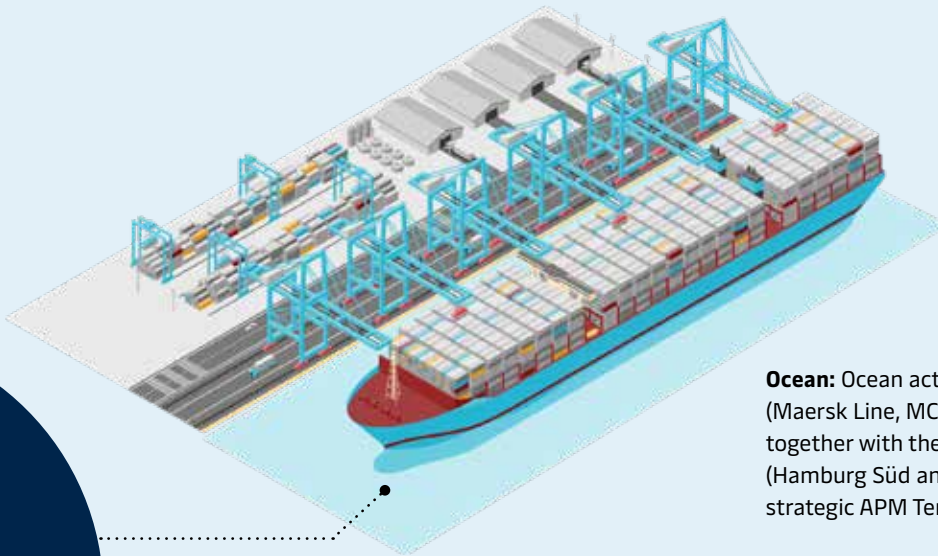
figures – is being implemented to support the strategic direction towards being a diverse growth company within transport and logistics.

“With the new reporting set-up, our external stakeholders and us have an opportunity to more transparently follow and monitor our transformation journey, while specifically focusing on our non-ocean businesses, which we need to grow in order to be

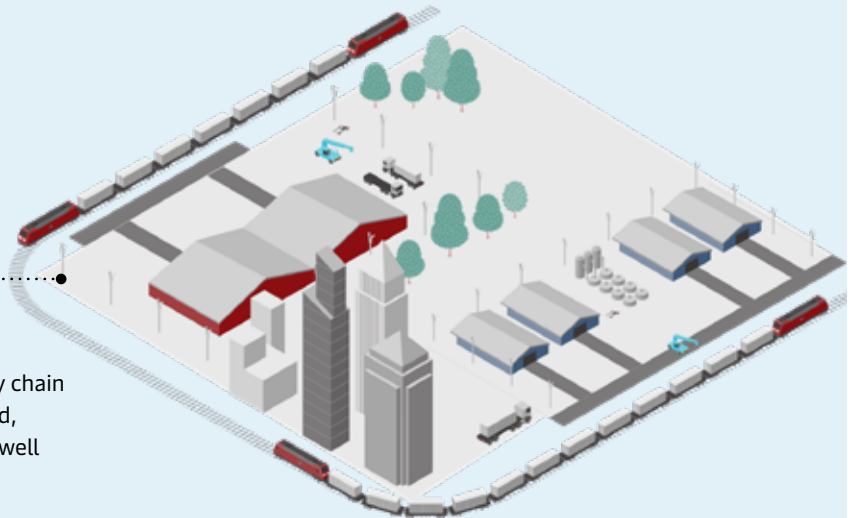
structure

Illustration: Lars Bøje and Erickson Ocampo Enriquez

Revenue
split
2018



Ocean: Ocean activities in Maersk Liner Business (Maersk Line, MCC, Seago Line and Sealand) together with the Hamburg Süd brands (Hamburg Süd and Aliança) as well as eight strategic APM Terminals transshipment hubs.



Logistics & Services: The logistics and supply chain management services under the Damco brand, inland haulage and trade finance services as well as container inland services (CIS).

less dependent on freight rates," says Jesper Ridder Olsen, Head of Accounting and Tax.

Strategic progress

In addition to the new segment structure, the key figures such as Revenue, EBITDA and Capex will be supplemented with certain leading operational metrics per segment.

"With the introduction of new financial and operational

metrics we are all able to monitor our strategic progress – not only focusing on the short-term financial outcome but rather the underlying drivers for our long-term performance," says Jesper Ridder Olsen. He adds: "One bottom line means that we move away from separate profit and loss accounts per brand to have shared growth and profitability measures supporting our strategic progress. Thereby, we will all be

able to follow and be measured on our underlying performance towards becoming the global integrator of container logistics."

The consolidated financials for 2017 are unaffected by the new reporting structure, as is the guidance for 2018. To ensure transparency in the transformation, financials for 2017 have been restated per quarter based on the new financial reporting structure. ■

Progress on transformation and growing revenue

The strategic transformation of A.P. Møller - Maersk continued with the closing of the Maersk Oil transaction, a successful start to the integration of Hamburg Süd contributing with revenue and profit growth as planned, and the continuing realisation of synergies from the integration of the transport, logistics and port businesses.

Highlights Q1

USD million	Revenue		EBITDA		Capex	
	2018	2017	2018	2017	2018	2017
Ocean	6,810	4,950	492	484	-1,074	-468
Logistics & Services	1,455	1,378	23	32	-8	-8
Terminals & Towage	911	824	196	139	-101	-196
Manufacturing & Others	619	401	17	41	-6	-5
Unallocated activities, eliminations, etc.	-542	-452	-59	-58	9	-
A.P. Møller - Maersk consolidated						
– continuing operations	9,253	7,101	669	638	-1,180	-677

➤ Revenue increased by 30% to USD 9.3bn (USD 7.1bn), 10% excluding the effect from Hamburg Süd, in Q1 2018. The non-Ocean businesses all reported revenue growth with 6% in Logistics & Services and 11% in Terminals & Towage. The non-Ocean revenue amounted to 32% of total revenue.

The improvement in EBITDA of 5% to USD 669m (USD 638m) was positively impacted by strong performance in Terminals & Towage with an increase of 41% in EBITDA to USD 196m (USD 139m). Ocean reported EBITDA of USD 492m (USD 484m), negatively impacted by pressure on freight rates as well as higher unit costs among others due to adverse changes in bunker prices and foreign exchange rates as well as Hamburg Süd portfolio mix.

For the non-Ocean businesses, the higher volumes in Terminals & Towage led to an improvement in EBITDA from USD 139m to USD 196m, while Logistics & Services reported slightly lower EBITDA of USD 23m (USD 32m).

The underlying result after financial items and tax of negative USD 239m (negative USD 139m) was unsatisfactory. A number of short-term initiatives are being implemented to improve profitability.

Gross capital expenditure (capex) amounted to USD 1.2bn (USD 677m), mainly related to previously ordered vessels and containers in Ocean, and development projects in Terminals & Towage. The free cash flow was negative USD 569m (positive USD 84m).

Guidance for 2018

A.P. Møller - Maersk reiterates its expectations for 2018 of an underlying profit above 2017 (USD 356m) and EBITDA in the range of USD 4.0-5.0bn (USD 3.5bn), noting increased uncertainties due to geopolitical risks, trade tensions and other factors impacting container freight rates, bunker prices and exchange rates.

"In Q1 2018, we reported a 30% growth in revenue, while the integration of the business is well underway with a successful start to the Hamburg Süd integration and the closing of the Maersk Oil transaction in March with an accounting gain of USD 2.6bn."

Søren Skou, CEO of A.P. Møller - Maersk A/S



Photo: Jesper Schwartz

Synergies and gain on Maersk Oil transaction

Synergies related to the strategic integration of the transport, logistics and port businesses as well as the acquisition of Hamburg Süd are realised as planned with positive contribution to the EBITDA. The strong collaboration between Ocean and gateway terminals with reported equity-weighted volume growth of 9.8% is an illustration hereof. Gateway terminals volume growth with external customers was 5.7%, also higher than the market's estimated global port throughput growth of 4.6% (Drewry).

The previously announced synergies at the level of USD 600m (integration of transport, logistics and port businesses) and USD 350-400m (Hamburg Süd), respectively, are still expected to be realised by 2019.

The discontinued operations reported a profit of USD 3.0bn (USD 377m) including an accounting gain of USD 2.6bn related to the Maersk Oil transaction.

At closing of the Maersk Oil transaction, A.P. Møller - Maersk received 97.5 million shares in Total S.A. equivalent to an ownership interest of 3.7% as well as net cash proceeds after closing adjustments of USD 2.0bn with addition of free cash flow of USD 0.3bn up to closing. The market value of the Total S.A. shares was USD 5.6bn at closing 8 March.

Segment review

Ocean highlights

USD million	2018	Q1 2017	Full year 2017
Revenue	6,810	4,950	22,023
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	492	484	2,777
EBITDA margin	7%	10%	13%
Gross capital expenditure, excl. acquisitions and divestments (capex)	-1,074	-468	-2,831

The **Ocean** segment reported an increase in revenue of 38% to USD 6.8bn (USD 5.0bn) driven by a combination of higher volumes and rates. Excluding Hamburg Süd, revenue increased by 9%. The volume growth excluding Hamburg Süd was, at 2.2%, slightly below estimated global demand growth of around 3-4%, but in line with expectations.

EBITDA was USD 492m (USD 484m), including USD 88m from Hamburg Süd. Profitability was negatively impacted by higher unit costs among others due to adverse developments in bunker price and the weakened US Dollar, especially impacting terminal costs, as well as change in portfolio mix following the inclusion of Hamburg Süd.

Unit costs at 2,072 USD/FFE (1,858 USD/FFE) was up 12% to Q1 2017 while unit cost at fixed bunker price was up 8.6%.

Logistics & Services highlights

USD million	2018	Q1 2017	Full year 2017
Revenue	1,455	1,378	5,772
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	23	32	139
EBITDA margin	2%	2%	2%
Gross capital expenditure, excl. acquisitions and divestments (capex)	-8	-8	-54

Revenue in the **Logistics & Services** segment grew by 6% to USD 1.5bn (USD 1.4bn) positively impacted by volume and revenue growth in supply chain management services and inland haulage. Deselection of low margin business as well as slow demand growth after Chinese New Year, lead to declining volumes in both Air and Ocean.

EBITDA was USD 23m (USD 32m) impacted by continued investments in digital solutions and implementations as well as adverse foreign exchange rate development. Several cost management initiatives are being implemented to improve profitability.

For more details regarding the financials for Q1 2018, please visit the Investor Relations website:

<http://investor.maersk.com/financials.cfm>

Unless otherwise stated, all figures in brackets refer to the corresponding figures for the same period in the previous year.

Terminals & Towage highlights

USD million	2018	Q1 2017	Full year 2017
Revenue	911	824	3,481
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	196	139	639
EBITDA margin	22%	17%	18%
Gross capital expenditure, excl. acquisitions and divestments (capex)	-101	-196	-704

Terminals & Towage reported an 11% increase in revenue to USD 911m (USD 824m) and a 41% increase in EBITDA to USD 196m (USD 139m) reflecting strong growth in volumes mainly driven by commercial wins and new terminals and services.

The financial strong performance in the gateway terminals was driven by a volume growth on an equity-weighted basis of 9.3%, like-for-like 6.9%, of which volume growth with external customers was 5.7% while growth with Ocean was 9.8%. Estimated global port throughput growth was 4.6% (Drewry).

Higher activity in Australia and Europe and port entries in Latin America have improved utilisation and profitability in harbour towage. In terminal towage, both revenue and profitability improved in Q1 2018.

Manufacturing & Others highlights

USD million	2018	Q1 2017	Full year 2017
Revenue	619	401	1,689
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	17	41	173
EBITDA margin	3%	10%	10%
Gross capital expenditure, excl. acquisitions and divestments (capex)	-6	-5	-23

In **Manufacturing & Others**, Maersk Container Industry reported revenue of USD 288m (USD 243m), equal to a growth of 18% driven by higher sales volumes and prices on reefer containers, whereas revenue on dry containers was stable at the same level as in 2017. Maersk Line demand accounts for approx. 70% of total revenue which is expected to be reduced following increased volumes from third party customers.

The increased EBITDA in Maersk Container Industry of USD 32m (USD 27m) was reflecting the higher revenue but negatively impacted by higher commodity prices.

Revenue for Other businesses ended at USD 331m (USD 158m) positively impacted by bulk activities taken over as part of the Hamburg Süd activities as well as higher level of oil/bunker trading. EBITDA was negative by USD 15m (positive USD 14m) primarily related to unrealised losses on oil trade derivatives.

Overcoming high seas and challenging customers

Photo: Maersk Line



THE BIG PICTURE I In the Ironman 70.3 Vietnam 2018 event, Nguyen Hoang Phuong, a sales representative in Maersk Line Hanoi, came in second among 600 participants, ranking 121st in the world. *Ironman 70.3 (also known as a Half Ironman) is a triathlon comprising a 1.9 km swim, a 90 km bike ride and a 21.1 km run.* His finish time was 5 hours 18 minutes. He also achieved this in 35-degree Celsius weather, which is no easy feat.

"In my daily dealings with my customers, I bring the same focus that I have during my races. We all want calm seas and satisfied customers, but the reality is that the seas are often high and some customers are very challenging.

So, I focus on understanding and finding solutions to solve their problems and win the business. I have the same approach when I face challenges in Ironman 70.3," says Nguyen Hoang Phuong.

"In Maersk, we focus on having work-life balance and working here really inspires Nguyen for his Ironman activities. That's why he is wearing a Maersk T-shirt during his Ironman races; maybe the seven-pointed star on the Maersk T-shirt gave him that extra push to overcome the downsides that can come with an Ironman, including cramps, fatigue and panic in the open sea," said Nguyen Thi Bich Ngoc, Branch Manager at Maersk Hanoi.

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